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NIKON CORPORATION, SENDAI
NIKON CORPORATION, and
NIKON INC.

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

CARL ZEISS AG and ASML
NETHERLANDS B.V.,

Plaintiffs,

v.

NIKON CORPORATION, SENDAI
NIKON CORPORATION, and NIKON
INC.,

Defendants.

Case No. 2:17-cv-03221-RGK (MRWx)

**[PROPOSED] FINAL PRETRIAL
CONFERENCE ORDER**
REDACTED VERSION

Date: June 11, 2018

Time: 9:00 a.m.

Judge: Hon. R. Gary Klausner

Magistrate Judge: Hon. Michael R. Wilner

1 Following pretrial proceedings, pursuant to Fed. R. Civ. P. 16 and L.R. 16, IT
2 IS ORDERED:

3 1. The parties are:

- 4 (a) Plaintiffs: Carl Zeiss AG (“Zeiss”) and ASML Netherlands B.V.
5 (“ASML”) (collectively, “Plaintiffs”); and
6 (b) Defendants: Nikon Corporation and Nikon Inc. (collectively,
7 “Defendants” or “Nikon”).

8 Each of these parties has been served and has appeared. No other
9 parties were named in the pleadings, besides Sendai Nikon Corporation.¹

10 The pleadings which raise the issues are:

- 11 (a) Plaintiffs’ First Amended Complaint for Patent Infringement
12 (Doc. No. 33);
13 (b) Defendants’ Answer to First Amended Complaint for Patent
14 Infringement (Doc. No. 52).

15 2. Federal jurisdiction and venue are invoked upon the following grounds:

16 This is an action for patent infringement arising under the patent laws of the United
17 States, 35 U.S.C. § 271, et seq. This Court has subject matter jurisdiction over this
18 action under 28 U.S.C. §§ 1331 and 1338. Venue in this judicial district is proper
19 under 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b).

20 3. Plaintiffs estimate the trial to take 6 trial days. Defendants estimate the
21 trial to take 8 trial days.

22 4. The trial is to be a jury trial.

23 Per the Court’s Order for Jury Trial (Doc. No. 53), at least 16 days prior
24 to the trial date, the parties shall file with the Court a joint set of proposed jury
25

26 ¹ Plaintiffs no longer assert any claims against Sendai Nikon Corporation and will
27 be filing a notice of dismissal with prejudice with respect to Sendai Nikon
28 Corporation forthwith.

1 instructions on which there is agreement. Defendant's counsel has the burden of
2 preparing the joint set of jury instructions. At the same time, each party shall file
3 and serve its proposed jury instructions that are objected to by any other party,
4 accompanied by points and authorities in support of those instructions. Pursuant to
5 the Court's Order for Jury Trial (Doc. No. 53), the parties will file with the Court
6 any proposed voir dire questions 7 days before the Pretrial Conference.

7 5. The following facts are admitted and require no proof:

- 8 (a) The listed inventors of the '792 patent are James C. Dow, Dan L.
9 Dalton, Michael L. Rudd, Karin C. Ruffatto, Daniel Formosa,
10 Sandra Nieves, Paul Hamburger, Michael J. DeVries, and Nancy
11 Shepard.
- 12 (b) The listed inventors of the '167 patent are Norman C. Pyle and
13 Miles K. Thorland.
- 14 (c) The '167 patent has a priority date of January 15, 2003.
- 15 (d) Plaintiff Carl Zeiss AG ("Zeiss") is a German corporation with a
16 principal place of business at Carl-Zeiss-Straße 22, Oberkochen,
17 Germany 73447.
- 18 (e) Plaintiff ASML Netherlands B.V. ("ASML") is a Dutch entity
19 with a principal place of business at De Run 6501, 5504 DR,
20 Veldhoven, Netherlands.
- 21 (f) Defendant Nikon Corporation is a corporation organized under
22 the laws of Japan having a principal place of business at
23 Shinagawa Intercity Tower C, 2-15-3, Konan, Minato-ku, Tokyo
24 108-6290, Japan.
- 25 (g) Defendant Nikon Inc. is a corporation organized under the laws
26 of New York having a principal place of business at 1300 Walt
27 Whitman Road, Melville, NY 11747-3064.
- 28

- 1 (h) This is an action for patent infringement arising under the patent
2 laws of the United States, 35 U.S.C. § 271, et seq.
- 3 (i) This Court has subject matter jurisdiction over this action under
4 28 U.S.C. §§ 1331 and 1338.
- 5 (j) This Court has personal jurisdiction over Nikon Inc.
- 6 (k) Nikon Corporation first became aware of the existence and
7 contents of the '792 patent in or around December 2012.
- 8 (l) Nikon Corporation first became aware of the existence and
9 contents of the '167 patent in or around November 2009.
- 10 (m) Hewlett-Packard Development Company, L.P and Hewlett-
11 Packard Company sold the following 14 patents and patent
12 applications to Tarsium B.V. for [REDACTED]: U.S. Pat.
13 6,714,241; U.S. Pat. 7,414,650; U.S. Pat. 7,234,106; U.S. Pat.
14 6,992,707; U.S. Pat. 7,209,167; U.S. Pat. 6,463,163; U.S. Pat.
15 6,972,792; U.S. Pat. 6,301,020; U.S. Pat. 6,834,128; U.S. Pat.
16 7,352,390; PCT/US2002/011289; EP 2725602.3; JP P2002-
17 586627; JP 2004-007445.
- 18 (n) The accused Nikon 1 AW1, J1, J2, J3, S1, V1, and V2 cameras
19 do not record ambient sound in Motion Snapshot mode.

20 6. The following facts, though stipulated, shall be without prejudice to an
21 evidentiary objection: None.

22 7. Claims and defenses:

23 Plaintiffs:
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(a) Plaintiffs plan to pursue the following claims and requests against Defendants:²

- (1) Defendants have infringed claims 6, 14, 19, and 28 of Plaintiffs' U.S. Patent No. 6,972,792 ("the '792 patent")³ directly under 35 U.S.C. § 271(a), literally and/or under the Doctrine of Equivalents;
- (2) Defendants have induced infringement of claims 6, 14, 19, and 28 of the '792 patent under 35 U.S.C. § 271(b), literally and/or under the Doctrine of Equivalents;
- (3) Defendants have contributorily infringed claims 6, 14, 19, and 28 of the '792 patent under 35 U.S.C. § 271(c), literally and/or under the Doctrine of Equivalents;
- (4) Defendants have infringed claims 15, 20, and 23 of Plaintiffs' U.S. Patent No. 7,209,167 ("the '167 patent")⁴

² In light of the Court's Order regarding Defendants' Motion for Partial Summary Judgment (Doc. No. 249) holding that the U.S. Patent Nos. 8,149,312 and 8,625,017 are not infringed as a matter of law, and dismissing Count III and Count IV of the First Amended Complaint, Plaintiffs have not listed claims related to those patents. But for the Court's ruling and/or if the Court reconsiders it, Plaintiffs would pursue claims that Defendants have infringed claims 1-3, 6-9, and 11-16 of the '312 patent and claims 1-3, 6-8, and 10-16 of the '017 patent, literally and/or under the Doctrine of Equivalents.

³ Plaintiffs have reduced the asserted claims for the '792 patent from the list they submitted in their Memorandum of Contentions of Fact and Law (Doc. No. 260). In addition to the claims listed above, in the Memorandum, Plaintiffs also asserted claims 1, 2, 4, 5, 10, and 22 of the '792 patent, but have now reduced the asserted claims to claims 6, 14, 19, and 28.

⁴ Plaintiffs have reduced the asserted claims for the '167 patent from the list they submitted in their Memorandum of Contentions of Fact and Law (Doc. No. 260). In addition to the claims listed above, in the Memorandum, Plaintiffs also asserted claims 1, 6, 9, 11, 12, 16, 25, and 26 of the '167 patent, but have now reduced the asserted claims to claims 15, 20, and 23.

1 directly under 35 U.S.C. § 271(a), literally and/or under
2 the Doctrine of Equivalents;

3 (5) Defendants have induced infringement of claims 15, 20,
4 and 23 of the '167 patent under 35 U.S.C. § 271(b),
5 literally and/or under the Doctrine of Equivalents;

6 (6) Defendants have contributorily infringed claims 15, 20,
7 and 23 of the '167 patent under 35 U.S.C. § 271(c),
8 literally and/or under the Doctrine of Equivalents;

9 (7) Plaintiffs are entitled to damages under 35 U.S.C. § 284 in
10 the amount of [REDACTED] in reasonable royalty damages
11 from Defendants, jointly and severally, including the
12 potential addition of pre- and post-judgment interest and
13 costs;⁵

14 (8) Plaintiffs are entitled to a permanent injunction under 35
15 U.S.C. § 283 against each of the Defendants to prevent on-
16 going infringement of the '792 and '167 patents; and

17 (9) This is an exceptional case under 35 U.S.C. § 285,
18 entitling Plaintiffs to reasonable attorneys' fees.

19 (b) The elements required to establish Plaintiffs' claims are:

20 (1) The '792 patent:

21 a. By a preponderance of the evidence, Plaintiffs own the
22 '792 patent; and

23 b. By a preponderance of the evidence, Defendants:
24

25
26 ⁵ But for the Court's ruling on partial summary judgment and/or if the Court
27 reconsiders it, Plaintiffs would seek [REDACTED] in reasonable royalty damages
28 from Defendants.

- i. Directly infringe one or more of asserted claims 6, 14, 19, and 28 of the '792 patent by making, using, offering for sale, or selling the patented invention within the United States or importing into the United States any patented invention during the term of the '792 patent, literally or under the Doctrine of Equivalents; and/or
- ii. Induced infringement because (i) Defendants knew of or were willfully blind⁶ to the existence of the '792 patent; (ii) Defendants actively encouraged or instructed others to use the accused products in a way that infringes one or more of asserted claims 6, 14, 19, and 28 of the '792 patent; (iii) such others infringed one or more of the asserted claims of the '792 patent; (iv) Defendants knew or were willfully blind to the fact that their encouragement or instructions would result in infringement of the '792 patent; and/or
- iii. Contributed to infringement because (i) Defendants knew of or were willfully blind⁷ to

⁶ To establish willful blindness, Plaintiffs must show by a preponderance of the evidence that (i) Defendants subjectively believed that there was a high probability that the fact existed and (ii) Defendants took deliberate actions to avoid learning of that fact. *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 769 (2011).

⁷ Defendants disagree with Plaintiffs' formulation for the elements of contributory infringement, specifically with respect to the "willfully blind" language, as the statute specifically requires knowledge. 35 U.S.C. § 271(c).

1 the existence of the '792 patent; (ii) Defendants
2 supplied the accused products and/or components
3 thereof to others for use in practicing one or
4 more of asserted claims 6, 14, 19, and 28 of the
5 '792 patent; (iii) such others directly infringed
6 one or more of the asserted claims of the '792
7 patent; and (iv) Defendants knew or were
8 willfully blind to the fact that the accused
9 products and/or components are especially made
10 or especially adapted for use in infringement of
11 the asserted claims of the '792 patent, and not a
12 staple article or commodity of commerce suitable
13 for substantial noninfringing use.

14 (2) The '167 patent:

- 15 a. By a preponderance of the evidence, Plaintiffs own the
16 '167 patent; and
17 b. By a preponderance of the evidence, Defendants:
18 i. Directly infringe one or more of asserted claims
19 15, 20, and 23 of the '167 patent by making,
20 using, offering for sale, or selling the patented
21 invention within the United States or importing
22 into the United States any patented invention
23 during the term of the '167 patent, literally or
24 under the Doctrine of Equivalents; and/or
25 ii. Induced infringement because (i) Defendants
26 knew of or were willfully blind to the existence
27 of the '167 patent; (ii) Defendants actively
28

1 encouraged or instructed others to use the
2 accused products in a way that infringes one or
3 more of asserted claims 15, 20, and 23 of the
4 '167 patent; (iii) such others infringed one or
5 more of the asserted claims of the '167 patent;
6 (iv) Defendants knew or were willfully blind to
7 the fact that their encouragement or instructions
8 would result in infringement of the '167 patent.

9 iii. Contributed to infringement because (i)
10 Defendants knew of or were willfully blind to the
11 existence of the '167 patent; (ii) Defendants
12 supplied the accused products and/or components
13 thereof to others for use in practicing one or
14 more of asserted claims 15, 20, and 23 of the '167
15 patent; (iii) such others directly infringed one or
16 more of the asserted claims of the '167 patent;
17 and (iv) Defendants knew or were willfully blind
18 to the fact that the accused products and/or
19 components are especially made or especially
20 adapted for use in infringement of the asserted
21 claims of the '167 patent, and not a staple article
22 or commodity of commerce suitable for
23 substantial noninfringing use.

24 (3) Damages: By a preponderance of the evidence,
25 Defendants' infringement has caused Plaintiffs [REDACTED]
26 [REDACTED] in reasonable royalty damages.
27
28

1 (4) Injunction: (i) Plaintiffs have suffered an irreparable
2 injury; (ii) remedies available at law, such as monetary
3 damages, are inadequate to compensate for that injury; (iii)
4 considering the balance of hardships between Plaintiffs
5 and Defendants, a remedy in equity is warranted; and (iv)
6 the public interest would not be disserved by a permanent
7 injunction.

8 (5) Exceptional case: This case stands out from others with
9 respect to the substantive strength of a Defendants'
10 litigating position or the unreasonable manner in which
11 Defendants litigated the case.

12 (c) Defendants contend that Plaintiffs' formulations of the elements
13 for induced infringement and contributory infringement are
14 improper.⁸ Defendants restate the proper formulations as
15 follows:

16 a. Induced infringement requires the following elements⁹:

- 17 i. That end-users or some other direct infringers identified by
18 Plaintiffs actually carry out acts that directly infringe at
19 least one claim of the '792 and '167 Patents;
20 ii. That Defendants took actions during the time the '792 and
21 '167 Patents were in force intending to cause the infringing
22 acts by the end-users or other direct infringers identified by
23 Plaintiffs;

24 ⁸ Defendants also contend that Plaintiffs' formulations for all of the asserted
25 claims are erroneous because they fail to treat Defendants separately. Each defendant
26 is a separate entity, and Plaintiffs have failed to provide any proof that there is any
alter ego relationship among them.

27 ⁹ Taken from Federal Circuit Bar Association Model Jury Instructions, B.3.2.

1 iii. That Defendants were aware of the '792 and '167 Patents
2 at the time the end-users or some other direct infringers
3 carried out acts that directly infringe at least one claim of
4 the '792 and '167 Patents, and knew that the acts, if taken,
5 would constitute infringement of those patents, or that
6 Defendants believed there was a high probability that the
7 acts by end-users or other direct infringers identified by
8 Plaintiffs would infringe a patent by Plaintiffs and
9 Defendants took deliberate steps to avoid learning of that
10 infringement.¹⁰

11 b. Contributory infringement requires the following elements¹¹:

- 12 i. Defendants sell, offer to sell, or import within the United
13 States a component of a product, or apparatus for use in a
14 process, during the time that the '792 and '167 Patents are
15 in force;
16 ii. The component or apparatus has no substantial,
17 noninfringing use;
18 iii. The component or apparatus constitutes a material part of
19 the invention;

21 ¹⁰ Plaintiffs object to Defendants' formulation of the elements to establish induced
22 infringement. Specifically, Plaintiffs object to Defendants' formulation to the extent
23 that it requires a direct link between the inducing acts and the specific direct
24 infringers. The Federal Circuit has held that induced infringement can be found
25 "based on circumstantial evidence of inducement (e.g., advertisements, user manuals)
26 directed to a class of direct infringers (e.g., customers, end users) without requiring
27 hard proof that any individual third-party direct infringer was actually persuaded to
28 infringe by that material." *Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, 843 F.3d 1315, 1335 (Fed. Cir. 2016).

¹¹ Taken from Federal Circuit Bar Association Model Jury Instructions, B.3.3.

1 iv. Defendants are aware of the '792 and '167 Patents and
2 know that the products or processes for which the
3 component or apparatus has no other substantial use may
4 be covered by a claim of the '792 and '167 Patents or may
5 satisfy a claim of the '792 and '167 Patents under the
6 doctrine of equivalents; and

7 v. That use directly infringes the claims.

8 (d) In brief, the key evidence Plaintiffs rely on for each of the claims
9 is:

10 (1) The '792 patent; documents demonstrating Plaintiffs'
11 ownership of the '792 patent; documents, source code, and
12 factual testimony concerning the design and operation of
13 the accused digital cameras (specifically the Easy
14 Panorama mode and the Animated Error Correction
15 mode); testimony of Plaintiffs' expert Dr. John Kelly; and
16 cross-examination of Defendants' experts Dr. Richard
17 Goodin and Dr. Irfan Essa.

18 (2) Documents and testimony showing that Defendants were
19 first aware of the '792 patent in or around December 2012
20 as part of a freedom to operate analysis; documents and
21 testimony concerning Defendants' active encouragement
22 or instruction to third parties and each other to make, sell,
23 offer for sale, use, or test the infringing products, including
24 providing manuals and promotional materials that
25 encouraged and instructed customers to use the infringing
26 products and features; documents and testimony
27 concerning direct infringement by those induced by
28

1 Defendants; and documents and testimony that Defendants
2 knew or were willfully blind to the fact that they were
3 inducing acts of infringement.

4 (3) Documents and testimony showing that Defendants were
5 first aware of the '792 patent in or around December 2012
6 as part of a freedom to operate analysis; documents and
7 testimony related to Defendants' supply of accused
8 cameras and/or their components (including the software
9 and hardware that implements the infringing Easy
10 Panorama and Animated Error Correction functionalities)
11 to downstream distributors, retailers, and customers;
12 documents and testimony concerning direct infringement
13 by those induced by Defendants; documents and testimony
14 showing Defendants knew or were willfully blind to the
15 fact that the cameras and components were especially
16 made or adapted for use in a way that infringes the asserted
17 claims; and documents and testimony showing that the
18 infringing Easy Panorama and Animated Error Correction
19 functionalities are not a staple of commerce suitable for
20 substantial noninfringing uses.

21 (4) The '167 patent; documents demonstrating Plaintiffs'
22 ownership of the '167 patent; documents, source code, and
23 factual testimony concerning the design and operation of
24 the accused digital cameras (specifically the Movie Live
25 View mode, including the Live Frame Grab mode, and the
26 Motion Snapshot mode); testimony of Plaintiffs' expert
27
28

Dr. John Kelly; and cross-examination of Defendants' experts Dr. Richard Goodin and Dr. Irfan Essa.

(5) Documents and testimony showing that Defendants were first aware of the '167 patent in or around November 2009 as part of a freedom to operate analysis; documents and testimony concerning Defendants' active encouragement or instruction to third parties and each other to make, sell, offer for sale, use, or test the infringing products, including providing manuals and promotional materials that encouraged and instructed customers to use the infringing products and features; documents and testimony concerning direct infringement by those induced by Defendants; and documents and testimony that Defendants knew or were willfully blind to the fact that they were inducing acts of infringement.

(6) Documents and testimony showing that Defendants were first aware of the '167 patent in or around November 2009 as part of a freedom to operate analysis; documents and testimony related to Defendants' supply of accused cameras and/or their components (including the software and hardware that implements the infringing Motion Snapshot, Movie Live View, and Live Frame Grab functionalities) to downstream distributors, retailers, and customers; documents and testimony concerning direct infringement by those induced by Defendants; documents and testimony showing Defendants knew or were willfully blind to the fact that the cameras and components were

1 especially made or adapted for use in a way that infringes
2 the asserted claims; and documents and testimony showing
3 that the infringing Motion Snapshot, Movie Live View,
4 and Live Frame Grab functionalities are not a staple of
5 commerce suitable for substantial noninfringing uses.

6 (7) Documents and testimony concerning Defendants' revenue
7 and profits from digital cameras accused of infringing the
8 '792 and '167 patents; documents and testimony
9 concerning apportionment of the incremental value of the
10 infringing features relative to the accused cameras; survey
11 evidence produced by Defendants concerning their
12 customers' preferences for and/or usage of the patented
13 features; documents and testimony concerning convoyed
14 lens sales; testimony of Plaintiffs' expert Dr. DeForest
15 McDuff; and cross-examination of Defendants' experts
16 Ms. Julie Davis and Dr. Lorin Hitt.

17 (8) Documents and testimony evidencing that Plaintiff has
18 suffered an irreparable injury [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED], that
22 remedies available at law such as monetary damages are
23 inadequate to compensate Plaintiff for that injury, that the
24 balance of hardships weighs in favor of awarding Plaintiff
25 a permanent injunction, and that no public interest would
26 be disserved by permanently enjoining the Defendants. If
27 an injunction is not available, Plaintiffs will present
28

documents, factual testimony, and expert testimony concerning an appropriate ongoing royalty.

- (9) Documents and testimony showing that Defendants were first aware of the '792 and '167 patents in or around December 2012 and November 2009, respectively, as part of freedom to operate analyses; documents and testimony demonstrating Defendants' infringement of the '792 and '167 patents; documents concerning Defendants' production of marking information and supporting documents, and discovery responses and documents produced after the close of fact discovery.

Defendants:

(a) Defendants plan to pursue the following defenses and requests:

- i. **Noninfringement**—Plaintiffs have failed to show that Defendants have infringed any of the asserted patents under any provision of 35 U.S.C. § 271.
- ii. **Invalidity of the asserted patents**—The asserted claims of the patents-in-suit are invalid under 35 U.S.C. § 112, ¶ 1 (lack of written description), ¶ 2 (indefiniteness), ¶ 6 (indefiniteness). The asserted claims of the patents-in-suit are invalid also under 35 U.S.C. §§ 102 (anticipation) and 103 (obviousness).
- iii. **Prosecution History Estoppel**—Plaintiffs are estopped from asserting doctrine of equivalents due to prosecution history estoppel.
- iv. **Marking**—Plaintiffs failed to plead and prove compliance with 35 U.S.C. § 287's marking requirement, and failed to

1 mark products covered by the asserted patents and
2 therefore cannot recover damages for alleged acts of
3 infringement that occurred before Plaintiffs gave notice of
4 infringement.

5 v. **Limitation on Recovery of Costs, 35 U.S.C. § 288—**

6 Plaintiffs are precluded from recovering of costs in this
7 action because they failed to enter a disclaimer of invalid
8 claims at the United States Patent and Trademark Office
9 before commencement of this suit, as required by 35
10 U.S.C. § 288.

11 vi. **No Entitlement to Injunctive Relief—**Plaintiffs have
12 failed to show that they are entitled to injunctive relief.

13 vii. **No Damages.** Plaintiffs have failed to show that they are
14 entitled to any damages.

15 viii. **No Enhanced Damages Award—**Plaintiffs have failed to
16 show that they are entitled to enhanced damages.

17 ix. **Attorneys' Fees—**Defendants are entitled to attorneys'
18 fees under 35 U.S.C. § 285.

19 (b) The elements required to establish Defendants' defenses and
20 requests are:

21 i. **Noninfringement**

22 1. Defendants do not have any burden with respect to
23 this defense, and therefore there are no elements to
24 prove. Plaintiffs always bear the burden of proving
25 infringement for each and every accused product.
26 Defendants will, however, show that Plaintiffs failed
27 to meet that burden.
28

ii. **Invalidity**

1. **Invalidity Under § 112, ¶ 1—Written Description**

- a. By clear and convincing evidence, a person having ordinary skill reading the original patent application would not have recognized that it describes the full scope of the asserted claims of the patents-in-suit; or
- b. By clear and convincing evidence, a person having ordinary skill reading the original patent application would not have recognized that the named inventor actually possessed that full scope by the filing date of the original application. Federal Circuit Bar Association Model Jury Instructions, B.4.2a.

2. **Invalidity Under 35 U.S.C. § 112, ¶ 2**

Indefiniteness

- a. By clear and convincing evidence, when viewed in light of the specification and prosecution history, one or more of the asserted claims do not inform a person of skill in the art about the claimed subject matter with reasonable certainty. *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2128–30 (2014).

3. **Invalidity Under 35 U.S.C. § 112, ¶¶ 2, 6**

Indefiniteness

- 1 a. By clear and convincing evidence, the claim
2 includes at least one term that is not
3 understood by a person having ordinary skill
4 in the art to have a sufficiently definite
5 meaning as the name for structure,
6 *Williamson v. Citrix Online, LLC*, 792 F.3d
7 1339, 1348 (Fed. Cir. 2015); *Apple Inc. v.*
8 *Motorola, Inc.*, 757 F.3d 1286, 1298 (Fed.
9 Cir. 2014); and
10 b. The specification does not disclose adequate
11 corresponding structure for the claim term.
12 *Williamson*, 792 F.3d at 1352, 1354; 35
13 U.S.C. § 112, ¶ 2.

14 **4. Invalidity Under 35 U.S.C. § 102—Anticipation**

- 15 a. By clear and convincing evidence, the
16 claimed subject matter of one or more of the
17 asserted claims has been made, used, or
18 disclosed before. Anticipation must be
19 determined on a claim-by-claim basis. Federal
20 Circuit Bar Association Model Jury
21 Instructions, B.4.3b-1.

22 **5. Invalidity Under 35 U.S.C. § 103—Obviousness**

- 23 a. By clear and convincing evidence, the subject
24 matter of one or more of the asserted claims
25 would have been obvious to a person having
26 ordinary skill in the art at the time of
27 invention; or
28

b. A person having ordinary skill in the art would have been motivated to combine the teachings of prior art references to achieve the subject matter of one or more of the asserted claims, and would have had a reasonable expectation of success in doing so. *Ivera Med. Corp. v. Hospira, Inc.*, 801 F.3d 1336, 1344 (Fed. Cir. 2015); Federal Circuit Bar Association Model Jury Instructions, B.4.3c.

iii. Prosecution History Estoppel¹²

1. The applicant of the asserted patents amended a claim during prosecution;
2. The amendment was made to avoid prior art;
3. The prior art that the applicant sought to avoid through amendment contains the equivalent that

¹² Plaintiffs object to Defendants' formulation of the elements to establish prosecution history estoppel. The elements are as follows: (1) the applicant of the asserted patent made a narrowing amendment during prosecution, which is presumed to surrender all subject matter between the original claim scope and the amended claim scope; (2) the narrowing amendment was made for reasons related to patentability; (3) the alleged equivalent is within the scope of the surrendered subject matter; and (4) the patentee fails to rebut the presumption of surrender by showing that: i) the equivalent was unforeseeable at the time of the application, ii) the rationale underlying the amendment bears no more than a tangential relation to the equivalent in question; or iii) other reasons suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 740-41 (2002) (*Festo*); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359, 1366-67 (Fed. Cir. 2003) (*en banc*) (*Festo remand*). The accused infringer bears the initial burden of proof to show that the limitation asserted to be met by an equivalent was narrowly amended. *Festo remand*, 344 F.3d at 1366.

1 Plaintiffs now assert is present in the accused
2 products. *Festo Corp.*, 344 F.3d at 1369.

3 **iv. Marking**

- 4 1. Defendants do not have any burden with respect to
5 this defense, and therefore there are no elements to
6 prove.¹³ “The patentee bears the burden of *pleading*
7 *and proving* he complied with § 287(a)’s marking
8 requirement.” *Arctic Cat Inc. v. Bombardier Rec.*
9 *Prods.*, 876 F.3d 1350, 1366 (Fed. Cir. 2017)
10 (emphasis added). “The ***burden*** of proving
11 compliance with marking ***is and at all times***
12 ***remains on the patentee.***” *Id.* at 1367 (emphasis
13 added). Defendants will, however, show that
14 Plaintiffs failed to satisfy that burden.

15 **v. Limitation on Recovery of Costs Under 35 U.S.C. § 288**

- 16 1. At least one asserted claim of the ’792 and ’167
17 Patents is invalid;
18 2. No disclaimer was filed with the Patent and
19 Trademark Office before the commencement of this
20 lawsuit. 35 U.S.C. § 288.

21 **vi. No Entitlement to Injunctive Relief**

22
23
24 ¹³ Plaintiffs object to Defendants’ description of the burden with respect to their
25 marking defense. The Federal Circuit held that “an alleged infringer who challenges
26 the patentee’s compliance with § 287 bears an initial burden of production to
27 articulate the products it believes are unmarked ‘patented articles’ subject to § 287.”
28 *Arctic Cat Inc. v. Bombardier Recreational Prod. Inc.*, 876 F.3d 1350, 1368 (Fed.
Cir. 2017).

1 1. Defendants do not have any burden with respect to
2 this defense, and therefore there are no elements to
3 prove. Plaintiffs bear the burden of proving
4 entitlement to injunctive relief. *eBay Inc. v.*
5 *MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).
6 Defendants will, however, show that Plaintiffs failed
7 to satisfy that burden.

8 **vii. No Damages**

9 1. Defendants do not have any burden with respect to
10 damages, and therefore there are no elements to
11 prove. Plaintiffs have the burden of proving
12 entitlement to damages, and have failed to do so.

13 **viii. No Enhanced Damages**

14 1. Defendants do not have any burden with respect to
15 this defense, and therefore there are no elements to
16 prove. Plaintiffs have the burden of proving
17 entitlement to enhanced damages. Moreover,
18 Plaintiffs did not plead enhanced damages.
19 Defendants will, however, show that Plaintiffs have
20 failed to satisfy that burden, as enhanced damages
21 are limited “to egregious cases of misconduct
22 beyond typical infringement.” *Halo Elecs., Inc. v.*
23 *Pulse Elecs.*, 136 S. Ct. 1923, 1935 (2016).

24 **ix. Lack of Personal Jurisdiction**

25 1. Defendants do not have any burden with respect to
26 this defense, and therefore there are no elements to
27 prove. Plaintiffs “bear[] the burden of
28

demonstrating that jurisdiction is appropriate.”
Picot v. Weston, 780 F.3d 1206, 1211 (9th Cir.
2015) (citation omitted). Defendants will, however,
show that Plaintiffs have failed to satisfy that
burden.

x. Attorneys’ Fees, 35 U.S.C. § 285

1. This case stands out from others with respect to the
lack of substantive strength of Plaintiffs’ litigation
positions and the unreasonable manner in which
Plaintiffs have litigated in this case.

(c) In brief, the key evidence Defendants rely on for each defense is:

- i. **Noninfringement**—The ’792 and ’167 Patents, and
respective file wrappers; testimony and evidence
concerning the design, functionality, operation of, and
differences between, the accused cameras; testimony and
evidence concerning prior art; expert testimony from
Defendants’ experts Dr. Irfan Essa and Richard Goodin;
testimony and evidence concerning claim constructions;
cross-examination testimony of Plaintiffs’ expert
witnesses; testimony and evidence concerning Nikon
Corporation’s business, and Nikon Inc.’s marketing and
sales activities; testimony and evidence showing that
Plaintiffs failed to identify instances of users practicing the
asserted method claims of the ’792 and ’167 Patents in the
U.S.; testimony and evidence concerning the timing and
circumstances of Nikon Corporation’s and Nikon Inc.’s

1 knowledge of the '792 and '167 Patents; testimony and
2 evidence that Nikon had a good faith belief of non-
3 infringement and invalidity of the asserted patents;
4 testimony and evidence concerning substantial non-
5 infringing uses for the '792 and '167 Patents; testimony
6 and evidence concerning the relationship among Nikon
7 Corporation and Nikon Inc., including Plaintiffs' failure to
8 prove any alter ego relationship; other evidence as
9 discussed in Defendants' Memorandum of Contentions of
10 Fact and Law (ECF No. 262).

11 ii. **Invalidity**—The '792 and '167 Patents, and respective file
12 wrappers, and the patents and patent applications cited
13 therein; testimony from Defendants' expert witnesses Dr.
14 Irfan Essa and Richard Goodin; testimony and evidence
15 concerning claim construction; prior art documents and
16 physical exhibits; testimony and evidence concerning lack
17 of secondary considerations; other evidence as discussed in
18 the expert reports of Defendants' expert witnesses Dr.
19 Irfan Essa and Richard Goodin; cross-examination
20 testimony of Plaintiffs' expert witnesses; other evidence as
21 discussed in Defendants' Memorandum of Contentions of
22 Fact and Law (ECF No. 262).

23 iii. **Prosecution History Estoppel**—The '167 Patent,
24 respective file wrapper; prior art considered by patent
25 examiner; testimony and evidence from Defendants'
26 expert witnesses Dr. Irfan Essa and Richard Goodin; cross-
27 examination testimony of Plaintiffs' expert witnesses
28

1 iv. **Failure to Mark**—The '792 and '167 Patents, respective
2 file wrappers; testimony and evidence concerning claim
3 construction; testimony and evidence concerning failure of
4 Plaintiffs, predecessors-in-interest, [REDACTED] to mark
5 products covered by the '792 and '167 Patents; testimony,
6 documentary evidence, and physical exhibits concerning
7 unmarked articles; testimony from Defendants' expert
8 witnesses Richard Goodin and Julie Davis; cross-
9 examination testimony of Plaintiffs' expert witnesses.

10 v. **Limitation on Recovery of Costs, 35 U.S.C. § 288**—
11 Court's order granting Defendants' motion for judgment
12 on the pleadings finding claims 23–27 of the '792 Patent
13 invalid (ECF No. 123); Court's order granting in part
14 Defendants' motion for partial summary judgment finding
15 claim 14 of the '167 Patent invalid (ECF No. 249);
16 testimony and evidence of Plaintiffs' failure to file a
17 disclaimer with United States Patent and Trademark Office
18 prior to filing action; Court's order granting Defendants'
19 motion for partial summary judgment holding that certain
20 claims of the '792 and '167 Patents are invalid and that the
21 accused products do not infringe the asserted claims of the
22 '312 and '017 Patents (ECF No. 249).

23 vi. **No Entitlement to Injunctive Relief**—All evidence
24 demonstrating that Defendants have not infringed and do
25 not infringe the asserted patents, as described above; all
26 evidence that all the asserted patents are invalid, as
27 described above; testimony and evidence that Plaintiffs do
28

1 not currently, and do not plan to, sell in the United States
2 consumer products that compete with the accused
3 products; testimony and evidence regarding Plaintiffs’
4 acquisition of, and their motive for acquiring, the asserted
5 patents; [REDACTED]

6 [REDACTED] expert testimony and evidence
7 concerning the adequacy of Plaintiffs’ remedies at law, and
8 the lack of any irreparable injury; testimony and evidence
9 concerning the balance of hardships between the parties.

10 vii. **No Entitlement to Enhanced Damages**—Testimony and
11 evidence showing that Nikon does not infringe the asserted
12 patents, as described above; testimony and evidence
13 concerning Nikon’s good faith belief that the accused
14 products did not and do not infringe any of the asserted
15 claims and that the asserted patents were invalid;
16 testimony and evidence showing that Plaintiffs failed to
17 meet their burden to show that this is an “egregious case[]
18 of misconduct beyond typical infringement”; and
19 testimony and evidence showing that Defendants were not
20 willful or willfully blind to infringement.

21 viii. **Attorneys’ Fees**

- 22 1. Evidence showing the unreasonableness of
23 Plaintiffs’ litigation tactics; evidence concerning the
24 weaknesses in Plaintiffs’ substantive positions;
25 evidence concerning the invalidity of claims of the
26 asserted patents; evidence concerning the weakness
27 of Plaintiffs’ infringement positions with respect to
28

the '312 and '017 Patents and the Court's order
granting summary judgment of noninfringement of
the '312 and '017 Patents (ECF No. 249).

Third Party Plaintiffs and Defendants: N/A.

8. In view of the admitted facts and the elements required to establish the
claims, counterclaims and affirmative defenses, the following issues remain to be
tried:

- (a) Whether Defendants have infringed claims 6, 14, 19, and 28 of
the '792 patent under 35 U.S.C. § 271(a).
- (b) Whether Defendants have induced others to infringe claims 6, 14,
19, and 28 of the '792 patent under 35 U.S.C. § 271(b).
- (c) Whether Defendants have contributorily infringed claims 6, 14,
19, and 28 of the '792 patent under 35 U.S.C. § 271(c).
- (d) Whether Defendants have infringed claims 15, 20, and 23 of the
'167 patent under 35 U.S.C. § 271(a).
- (e) Whether Defendants have induced others to infringe claims 15,
20, and 23 of the '167 patent under 35 U.S.C. § 271(b).
- (f) Whether Defendants have contributorily infringed claims 15, 20,
and 23 of the '167 patent under 35 U.S.C. § 271(c).
- (g) Whether Plaintiffs are entitled to an injunction under 35 U.S.C.
§ 283.
- (h) The amount of damages to which Plaintiffs are entitled for
Defendants' infringement under 35 U.S.C. § 284.
- (i) Whether this is an exceptional case entitling Plaintiffs to attorney
fees under 35 U.S.C. § 285.
- (j) Whether this is an exceptional case entitling Defendants to
attorney fees under 35 U.S.C. § 285.

- (k) Whether the asserted claims of the '792 and '167 Patents are invalid under 35 U.S.C. §§ 102, 103, and 112.
- (l) Whether Plaintiffs are estopped from asserting infringement under doctrine of equivalents.
- (m) Whether Plaintiffs failed to satisfy their burden with respect to the marking requirement under 35 U.S.C. § 287.
- (n) Whether Plaintiffs failed to satisfy their burden with respect to obtaining injunction relief.
- (o) Whether Plaintiffs are barred from recovering costs pursuant to 35 U.S.C. § 288.

9. All discovery is complete.

10. All disclosures under Fed. R. Civ. P. 26(a)(3) have been made.

The joint exhibit list of the parties has been filed under separate cover as required by L.R. 16-6.1. Unless all parties agree that an exhibit shall be withdrawn, all exhibits will be admitted without objection at trial, except those exhibits listed below:

Plaintiffs object to Exhibit Nos. JTX-0034–JTX-0036, JTX-0039–JTX-0042, JTX-0114, JTX-0122, JTX-0171, JTX-0177, JTX-0180–JTX-0181, JTX-0187, JTX-0190, JTX-0358, JTX-0375, JTX-0504–JTX-0525, JTX-0528, JTX-0530–JTX-0531, JTX-0544–JTX-0557, JTX-0671–JTX-0688, JTX-0691–JTX-0693, JTX-1348, JTX-1351, JTX-1355–JTX-1356, JTX-1439–JTX-1450, JTX-1452–JTX-1459, JTX-1473, JTX-1475, JTX-1477–JTX-1478, JTX-1480–JTX-1482, JTX-1488–JTX-1492, JTX-1497–JTX-1499, JTX-1503, JTX-1506–JTX-1508, JTX-1519–JTX-1520, JTX-1522–JTX-1527, JTX-1530, JTX-1532–JTX-1553, JTX-1556–JTX-1559, JTX-1561–JTX-1632, JTX-1634–JTX-1637, JTX-1640, JTX-1643–JTX-1647, JTX-1649, JTX-1652–JTX-1746, JTX-1749–JTX-1851, JTX-1853–JTX-1885, JTX-1887–JTX-1888, JTX-1891–JTX-1900, JTX-

1 1902–JTX-1944. The grounds for Plaintiffs’ objections are separately listed in the
2 Joint Proposed Exhibit List with Objections (filed herewith as Attachment A).

3 Defendants object to Exhibit Nos. JTX-0022–JTX-0024; JTX-0032–
4 JTX-0033; JTX-0037; JTX-0042–JTX-0053; JTX-0055; JTX-0057–JTX-0091;
5 JTX-0093; JTX-0101–JTX-0114; JTX-0117–JTX-0132; JTX-0135–JTX-1438. The
6 grounds for Defendants’ objections are separately listed in the Joint Proposed
7 Exhibit List with Objections (filed herewith as Attachment A).

8 11. Witness lists of the parties have been filed with the Court.

9 Only the witnesses identified in the lists will be permitted to testify
10 (other than solely for impeachment).

11 Each party intending to present evidence by way of deposition
12 testimony has marked such depositions in accordance with L.R. 16-2.7. For this
13 purpose, the following depositions shall be lodged with the Clerk as required by
14 L.R. 32-1:

- 15 • Maki Hashimoto
- 16 • Nobuyuki Kato
- 17 • Akihiko Kawai
- 18 • Naoki Kitaoka
- 19 • Yukio Kubota
- 20 • David Lee
- 21 • Greg McBride
- 22 • Nobuyuki Muraishi
- 23 • Dermot Murphy
- 24 • Akio Nishizawa
- 25 • Kazunari Orii
- 26 • Gaku Shimura
- 27 • Nobuki Takahashi

- Bryan Vannatter
- Katsutoshi Watanabe
- Jerry Drube
- Michael Kaschke
- Robert Pressman
- Wolfgang Singer

Plaintiffs object to Defendants' presentation of testimony by deposition of the following witnesses: depositions taken in the 7083 case (including witnesses for Hewlett Packard), depositions taken in the ITC case, any of Defendants' employees or experts who will be appearing live at trial, and any of Defendants' employees that were deposed in this action. Plaintiffs' specific objections to deposition testimony designated by Defendants are listed in the Joint Deposition Designations with Objections (filed herewith as Attachment B).

Defendants object to Plaintiffs' presentation of testimony by deposition of any of Plaintiffs' employees or experts who will be appearing live at trial and any of Plaintiffs' employees who were deposed in this action because it would violate the rule against hearsay, Federal Rule of Evidence 802, except for counter-designations of testimony pursuant to the doctrine of completeness as provided in Federal Rule of Evidence 106 and Federal Rule of Civil Procedure 32(a)(6) that Plaintiffs identified in the parties' Joint Witness List. Defendants' specific objections to deposition testimony designated by Plaintiffs are listed in the Joint Deposition Designations with Objections (filed herewith as Attachment B).

12. The following law and motion matters and motions in *limine*, and no others, are pending or contemplated:

- 1 (a) Plaintiffs' Motion for Partial Reconsideration of the Court's
2 Order of May 17, 2018 (Doc. No. 249) (Doc. No. 297).¹⁴
- 3 (b) Defendants' Motion for Partial Reconsideration of the Court's
4 Order of May 17, 2018 (to be filed soon).
- 5 (c) Plaintiffs' Motions *in Limine*:
- 6 (1) Motion *in Limine* No. 1 to Preclude Nikon Defendants
7 from Asking Questions that Drew Privilege Objections at
8 Deposition (Doc. Nos. 229, 230)
- 9 (2) Motion *in Limine* No. 2 to Preclude Irrelevant and
10 Prejudicial Matters (Doc. Nos. 237, 239)
- 11 (3) Motion *in Limine* No. 3 to Preclude Admissions about
12 Each Patent (Doc. Nos. 212, 213)
- 13 (4) Motion *in Limine* No. 4 to Preclude Information in Expert
14 Report of Julie Davis that was not Disclosed in Discovery
15 (Doc. Nos. 238, 240)
- 16 (5) Motion *in Limine* No. 5 to Preclude Admission of, Use of,
17 or Testimony Regarding Documents and Information Not
18 Produced During Discovery (Doc. Nos. 226, 227)
- 19 (6) Motion *in Limine* No. 6 to Preclude Expert Testimony
20 Regarding Matters Not Contained in their Expert Reports
21 (Doc. No. 210)
- 22 (7) Motion *in Limine* No. 7 to Preclude Discussion of or
23 Reference to Nikon Defendants' Marking Defense and/or
24

25 ¹⁴ Plaintiffs are also contemplating motions to sever the '312 and '017 patents
26 from this case and to consolidate them into the co-pending 7083 case, and a motion to
27 certify the Court's summary judgment ruling of no infringement on the '312 and '017
28 patents for immediate appeal under Fed. R. Civ. P. 54(b).

Any Alleged Failure by Any Party to Mark Products with
the Patents-in-Suit (Doc. Nos. 233, 234)

(8) Motion *in Limine* No. 8 to Exclude Invalidity Opinion
Testimony from Richard Goodin (Doc. No. 222)

(9) Motion *in Limine* No. 9 to Preclude Expert Testimony
Regarding Alleged Non-infringing Alternatives (Doc. Nos.
216, 217)

(10) Motion *in Limine* No. 10 Requesting Confidential
Treatment of Certain of Plaintiffs' Information (Doc. Nos.
221, 223)

(d) Defendants' Motions *in Limine*

(1) Motion *in Limine* No. 1 to Exclude Opinions of Plaintiffs'
Damages Expert, Dr. Deforest McDuff (Doc. Nos. 201,
220-1)

(2) Motion *in Limine* No. 2 to Exclude Evidence Relating to
Plaintiffs' Entitlement to Pre-Suit Damages or Compliance
with Marking (Doc. Nos. 202, 220-2)

(3) Motion *in Limine* No. 3 to Exclude Opinion of Plaintiffs'
Expert John P.J. Kelly (Doc. Nos. 203, 220-3)

(4) Motion *in Limine* No. 4 to Exclude Evidence of Willful
Infringement and Willful Blindness (Doc. No. 204)

(5) Motion *in Limine* No. 5 to Exclude Evidence of
Infringement by Sendai Nikon Corporation (Doc. No.
205). Plaintiffs do not intend to oppose this motion.

(6) Motion *in Limine* No. 6 to Exclude Evidence Relating to
Any Agreement or Proposal Regarding Representative
Products (Doc. No. 206)

- 1 (7) Motion *in Limine* No. 7 to Preclude Plaintiffs from
2 Referring to Accused Functionality as Animated Error
3 Correction Mode (Doc. Nos. 207, 214)
4 (8) Motion *in Limine* No. 8 to Exclude Evidence Relating to
5 Nikon's Size, Overall Revenue, Profits, Sales, or Wealth
6 (Doc. No. 208)
7 (9) Motion *in Limine* No. 9 to Exclude Evidence Relating to
8 Negotiations (Doc. Nos. 209, 220-4)
9 13. Bifurcation of the following issues for trial is ordered:
10 (1) The issue of whether Plaintiffs are entitled to an injunction
11 is an issue for the Court and not the jury;
12 (2) All other remaining issues to be tried shall be the subject
13 of a jury trial.
14 14. Order of Proof at Trial
15 a. Plaintiffs will present first at trial on the issues of
16 infringement and damages (and all issue related thereto) as
17 part of their case-in-chief.
18 b. Defendants will then present first at trial on the issue of
19 invalidity as part of their case-in-chief.
20 c. Plaintiffs will then present their rebuttal case.
21 d. Defendants will then present their rebuttal case on
22 invalidity.¹⁵
23 15. Miscellaneous provisions the parties have agreed to:
24 (a) Stipulations concerning trial exhibits
25
26

27 ¹⁵ Plaintiffs disagree that Defendants are entitled to a rebuttal case on invalidity.
28

1 (1) The parties agree that documents are *prima facie* genuine
2 and authentic and have been prepared in the ordinary
3 course of business on or about the dates that are reflected
4 on the document if they are (a) a document produced in
5 this case from a party's files that on its face appears to
6 have been authored by an employee, officer, or agent of
7 that party;¹⁶ (b) source code produced by a party in this
8 action relating to its products; or (c) a United States or
9 foreign patent office publication. The parties reserve the
10 right with respect to individual documents to adduce proof
11 to the contrary or to require that the offering party provide
12 authenticating evidence or evidence the document is not a
13 business record if the opposing party has a reasonable
14 basis to believe the document is not authentic or not a
15 business record if an appropriate objection was made by
16 the opposing party on the exhibit lists attached to this
17 Order. This stipulation shall not be deemed or interpreted
18 to be a waiver of any other objections a party may have or
19 a stipulation that any document is admissible in evidence.

20 (2) Legible and complete copies of United States and foreign
21 patents, patent applications, and publications thereof, and
22 the contents of associated file histories may be offered and
23 received in evidence in lieu of certified copies thereof,
24

25
26 ¹⁶ As indicated below at § 16(f), Defendants do not believe that documents
27 produced in this case by a third party pursuant to a subpoena should be treated
28 differently than documents produced by parties pursuant to requests for production.

1 subject to all other objections that might be made to the
2 admissibility of certified copies.

3 (3) Legible copies of printed publications (with agreed-upon
4 English translations) may be offered and received in
5 evidence in lieu of the original publication.

6 (4) Unless a genuine question is raised as to the authenticity of
7 the original, or in the circumstances it would be unfair to
8 admit the copy in lieu of the original, a duplicate of any
9 document or photograph may be marked for identification,
10 and, if otherwise admissible, offered and received into
11 evidence with the same force and effect as the original,
12 subject to any and all objections as could be made to the
13 original, and on condition that the original of any such
14 duplicate, if within the custody or control of the offering
15 party, be available for inspection at the trial by 7:00 pm
16 two calendar days before such duplicate is first used.

17 (5) Any party may use an exhibit that is listed on the other
18 party's exhibit list to the same effect as though it were on
19 its own exhibit list, subject to all evidentiary objections.
20 Any exhibit, once admitted at trial, may be used equally by
21 each party for any proper purpose in accordance with the
22 Federal Rules of Evidence. The listing of a document on a
23 party's exhibit list is not an admission that such document
24 is relevant or admissible when offered by the opposing
25 party. The fact that an exhibit is listed on a party's exhibit
26 list does not mean that the party believes the exhibit would
27 be admissible if offered by the other party. If a party
28

1 attempts to introduce an exhibit listed only on the other
2 party's exhibit list, the listing party reserves the right to
3 object to such introduction, and need not list objections to
4 its own exhibits as part of the Pretrial Order. In addition,
5 each party reserves the right to make objections under
6 Federal Rules of Evidence 104, 105, 401, 402, and 403 to
7 any evidence offered by the other party, at the time such
8 evidence is offered, in view of the specific context in
9 which such evidence is offered.

10 (6) Any document not identified by the above procedures may
11 be used at trial for purposes of impeachment.

12 (b) Disclosure procedures concerning physical trial exhibits

13 (1) Each party will make available for inspection any physical
14 exhibits they intend to use at trial no later than 7:00 pm
15 three calendar days before such physical exhibits are first
16 used. Objections to physical exhibits, if any, shall be due
17 by 11:00 a.m. two calendar days before their intended use.
18 The parties will meet and confer by 8:00 p.m. two calendar
19 days before their intended use.

20 (c) Procedures concerning sealing the courtroom, testimony, and
21 exhibits

22 (1) The parties request that the trial be open to the public and
23 not sealed unless a party requests that a particularly
24 sensitive portion be sealed and not open. If a party makes
25 such a request, subject to the Court's approval, and for
26 good cause shown, the courtroom should be cleared of
27 those individuals not qualified under the Protective Order
28

1 entered in this case, including any corporate
2 representatives of the party not making the request.

- 3 (2) Transcripts of any sealed testimony, and exhibits entered
4 while the courtroom is sealed, shall remain under seal until
5 thirty (30) days after the conclusion of the trial. Prior to
6 that time, the parties may designate, by page and line, the
7 portions of the transcript they seek to have filed under seal
8 and the exhibits they seek to have placed under seal,
9 subject to the Court's approval. Counsel for the parties
10 shall be responsible for supplying the envelopes and labels
11 necessary for any materials placed under seal.

12 16. Miscellaneous provisions the parties disagree on:

13 (a) Transition statements to the jury

- 14 (1) Plaintiffs' position: As an aid to the jury, Plaintiffs request
15 that they be permitted to offer brief transition statements to
16 introduce witnesses and identify the issues on which the
17 witness is expected to testify. With the exception of
18 closing arguments, none of the parties will be allowed at
19 any time to argue or comment on the evidence.

- 20 (2) Defendants' position: Defendants oppose the use of
21 transition statements to introduce witnesses, as it opens the
22 door for attorneys to improperly characterize the subject
23 matter of a witness's testimony. Moreover, Defendants
24 disagree that a provision of this nature is proper for
25 inclusion in the Final Pretrial Conference Order.

26 (b) Witnesses
27
28

1 (1) Plaintiffs' position: With the exception of expert witnesses
2 and a corporate representative for each party, witnesses
3 should be prevented from hearing the testimony of other
4 witnesses pursuant to Federal Rule of Evidence 615. The
5 parties will exchange the names of their respective
6 corporate representative prior to trial.

7 (2) Defendants' position: Defendants intend to invoke Federal
8 Rule of Evidence 615 at trial. Nevertheless, Defendants
9 disagree that a provision of this nature is necessary or
10 proper for inclusion in the Final Pretrial Conference Order.

11 (c) Witness disclosure procedures

12 (1) Plaintiffs' position:

13 (A) The parties agree to identify by June 6 the witnesses
14 that each side intends to call live versus by
15 deposition.

16 (B) Unless otherwise agreed, each party will provide to
17 the other party the names and order of witnesses it
18 intends to call on direct examination (whether live
19 or by deposition) no later than 7:00 p.m. two
20 calendar days before calling that witness. For
21 witnesses to be presented "live," including adverse
22 witnesses the party intends to call on direct
23 examination, the presenting party shall also include
24 at the time of disclosure a list of exhibits to be used
25 with each witness. Any objections shall be provided
26 by 7:00 p.m. one calendar day before the witness is
27 to be called.

1 (C) A party shall indicate its intention to rest by 7:00
2 p.m. two calendar days before it intends to rest. The
3 other party shall then identify the witnesses, if any,
4 that it intends to call in its opposing case in chief or
5 rebuttal case (as the case may be) by 9:00 p.m. the
6 same day.

7 (2) Defendants' position: As Defendants have discussed with
8 Plaintiffs, Defendants are willing to discuss and stipulate
9 to a mutually agreeable schedule for identifying in advance
10 the witnesses and exhibits to be used. Nevertheless,
11 Defendants do not believe a provision of this nature is
12 necessary or appropriate for inclusion in the Final Pretrial
13 Conference Order.

14 (d) Designated testimony disclosure procedures

15 (1) Plaintiffs' position:

16 (A) Unless otherwise agreed during trial, each party will
17 provide the other party a list of deposition
18 designations that it intends to introduce by 7:00 p.m.
19 three days before the designations are intended to be
20 used in court. The other party will provide counter-
21 designations and objections by 6:00 p.m. two days
22 before the designations are intended to be used in
23 court. The originally designating party will provide
24 any rebuttal designations and objections to the
25 counter-designations by 9:00 p.m. two days before
26 the designations are intended to be used in court.
27 The parties will meet and confer on any objections
28

1 by 7:00 p.m. one day before the designations are
2 intended to be used in court and will present any
3 unresolved issues to the Court the morning of the
4 proposed use of the disputed testimony.

5 (B) All designated testimony (original, counter, and
6 rebuttal) will be read to the jury as one consecutive
7 segment. Upon a showing of good cause, a party
8 may present deposition testimony by video in lieu of
9 reading. Irrelevant and redundant materials,
10 including colloquy between counsel and objections,
11 will be eliminated unless such colloquy or objection
12 is necessary to give context to the testimony or is
13 impossible to eliminate; in such case, such colloquy
14 or objections will be minimized. Time will be
15 apportioned by the parties with original testimony
16 charged against the offeror and counter testimony
17 charged against the other party.

18 (2) Defendants' position: As Defendants have discussed with
19 Plaintiffs, Defendants are willing to discuss and stipulate
20 to a schedule for identifying in advance the designations
21 the parties intend to use in court. In particular, Defendants
22 disagree with Plaintiffs' attempt to require good cause for
23 playing deposition video instead of reading the transcript.
24 Nevertheless, Defendants do not believe a provision of this
25 nature is necessary or appropriate for inclusion in the Final
26 Pretrial Conference Order.

1 (e) Procedures concerning impeachment with prior sworn testimony,
2 documents, or other materials

3 (1) Plaintiffs' position: Prior statements made under oath, such
4 as prior testimony or sworn statements in declarations,
5 expert reports and the like, can be used to impeach a
6 testifying witness and those sworn statements can be read,
7 played, or shown to the jury during the impeachment
8 unless an objection is sustained by the Court. To effect
9 this, during a cross examination, the examining counsel
10 will announce to the Court that they would like to offer the
11 testimony (for example) and identify the testimony before
12 it is read or shown. Counsel presenting the witness will
13 then be permitted to object that the proposed testimony is
14 not proper impeachment or seek to have additional
15 testimony included in the reading and the Court will rule
16 on any such objection prior to use or publication of the
17 testimony to the jury. Impeachment material (e.g., a
18 document or prior sworn testimony or other materials) may
19 be shown to the witness and the jury at the time of
20 impeachment.

21 (2) Defendants' position: As Defendants have discussed with
22 Plaintiffs, Defendants are willing to discuss and stipulate
23 to a mutually agreeable procedure concerning
24 impeachment with prior sworn testimony, documents, or
25 other materials. Nevertheless, Defendants do not believe a
26 provision of this nature is necessary or appropriate for
27 inclusion in the Final Pretrial Conference Order.

Moreover, Plaintiffs' proposal of allowing impeachment material to "be shown to the . . . jury at the time of impeachment" is improper.

(f) Stipulations concerning trial exhibits

- (1) Defendants' position: The following category of documents should also be included in § 15(a)(1) above:
"(d) a document produced in this case from a third party's files pursuant to a subpoena that on its face appears to have been authored by an employee, officer, or agent of the third party."
- (2) Plaintiffs' position: Third party documents should not be admitted without proper authentication and foundation as having been prepared in the ordinary course of business.

(g) Disclosure procedures concerning demonstratives

- (1) Plaintiffs' position: The parties agree to waive the requirements of L.R. 16-3 to the extent it requires the exchange of demonstratives "at least eleven (11) days before trial." The parties are discussing a mutually-agreeable schedule for the exchange of demonstratives to be used at trial.
- (2) Defendants' position: The parties agree to waive the requirements of L.R. 16-3, subject to a mutually agreeable schedule for the exchange of demonstratives to be used at trial, to the extent L.R. 16-3 requires the exchange of demonstratives "at least eleven (11) days before trial."

17. The foregoing admissions having been made by the parties, and the parties having specified the foregoing issues remaining to be litigated, this Final

1 Pretrial Conference Order shall supersede the pleadings and govern the course of the
2 trial of this cause, unless modified to prevent manifest injustice.

3
4 Dated: _____, 2018

UNITED STATES DISTRICT JUDGE
HON. R. GARY KLAUSNER

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6 Approved as to form and content.

7
8
9 _____
Attorney for Plaintiffs

10
11 _____
Attorney for Defendants

1 Dated: May 31, 2018

FISH & RICHARDSON P.C.

2
3 By: /s/ Christopher S. Marchese

4 Christopher S. Marchese

5 marchese@fr.com

6 Attorneys for Plaintiffs, CARL ZEISS
7 AG and ASML NETHERLANDS B.V.

8 Dated: May 31, 2018

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11 By: /s/ Vincent J. Belusko

12 Vincent J. Belusko

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16 CORPORATION, and NIKON INC.
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FILER'S ATTESTATION

Pursuant to Section 5-4.3.4 of the Local Rules of the United States District Court of the Central District of California, I hereby certify that authorization for the filing of the parties' [PROPOSED] FINAL PRETRIAL CONFERENCE ORDER has been obtained from each of the other signatories shown above and that all signatories have authorized placement of their electronic signature on this document.

Dated: May 31, 2018

/s/ Christopher S. Marchese

Christopher S. Marchese
marchese@fr.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on May 31, 2018 to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system. Any other counsel of record will be served by electronic mail and regular mail.

s/ Christopher S. Marchese

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